

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SAB-02 CIAE-00 DODE-00 PM-04 H-01

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

SS-15 USIA-06 IO-13 /071 W

-----011933Z 014691 /46

R 312120Z MAR 77

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 1312

INFO PANCANAL

USCINCSO

C O N F I D E N T I A L SECTION 1 OF 2 PANAMA 2314

E.O. 11652: GDS

TAGS: PFOR, PN

SUBJECT: TREATY NEGOTIATIONS - WHOSE MOVE?

REF: PANAMA 1385 (NOTAL)

SUMMARY: WE OBSERVE A GRADUAL BUT NOTABLE SHIFT IN GOP PUBLIC POSTURE TOWARD THE NEGOTIATIONS OVER THE PAST MONTH. THEMES GROWN FAMILIAR HAVE DROPPED FROM SIGHT. 1977 IS NO LONGER "THE YEAR OF DECISION". U.S.-ORIGIN PRO-TREATY STATEMENTS RECEIVE MINIMAL AND/OR MISINTERPRETED NOTICE. EVEN UNFAVORABLE STATEMENTS FAIL TO EVOKE THE ACCUSTOMED LEVEL OF OUTRAGE. THE LINE IS NOT THAT ONE MUST BEWARE OF GRINGOS WHO SAY THEY BEAR GIFTS -- THAT PANAMA MUST WAIT UNTIL THE U.S. TRULY DECIDES TO HAVE A TREATY. THIS CONFIRMS PRIVATE INDICATIONS THAT PANAMA CONSIDERS THAT IT HAS BEEN RESPONSIVE ENOUGH TO SATISFY BOTH REAL U.S. INTERESTS AND A PRESUMABLY MORE RECTPTIVE PRESIDENT. ORRIJOS DOES NOT FEEL HIMSELF UNDER PRESSURE OF MAJOR URGENCY TO ACHIEVE A TREATY. AND, AS HE SEES IT, THE NEXT MOVE NOW IS OURS. END SUMMARY

1. SINCE EVEN BEFORE THE FEBRUARY NEGOTIATING ROUND, THERE HAS BEEN A GRADUAL BUT NOTABLE SHIFT IN GOP PUBLIC POSTURE TOWARD  
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THE NEGOTIATIONS IN GOVERNMENT-GUIDED PRESS AND BROADCAST MEDIA AND IN GOP OFFICIAL STATEMENTS. WHAT IS MOST INFORMATIVE TO US IS WHAT IS NOT SAID. THEMES AND APPROACHES GROWN FAMILIAR IN THE RECENT PAST HAVE DROPPED FROM SIGHT. 1977 IS NO LONGER TRUMPETED AS "THE YEAR OF DECISION", THE YEAR WHEN PANAMA RUNS OUT OF PATIENCE AND THE U.S. OUT OF EXCUSES.

2. ONE OF PANAMA'S PRINCIPAL THEMES HAS HITHERTO BEEN THAT DURATION OF THE TREATY MUST NOT EXCEED THE YEAR 2000. THIS IS SELDOM MENTIONED ANY LONGER EXCEPT IN PASSING, AS AN ALMOST-ACCOMPLISHED FACT WHICH THE U.S. WILL SOONER OR LATER ACKNOWLEDGE. YET THIS SELF-IMPOSED MILESTONE IS PASSED WITHOUT JOY.

3. THERE HAS NORMALLY BEEN AN EXAGGERATED SENSITIVITY HERE ABOUT STATEMENTS FROM THE U.S. TOUCHING IN ANY WAY ON THE TREATY. THIS IS SUBSTANTIALLY GONE. FAVORABLE STATEMENTS ARE OFTEN UNDERPLAYED OR ARE MISINTERPRETED, DELIBERATELY OR OTHERWISE (PANAMA 1582, 1776). EVEN UNFAVORABLE REFERENCES, CALCULATED OR INADVERTENT, NOW EVOKE EXASPERATION OR CONFUSION, RATHER THAN PUBLIC RAGE (PANAMA 2030).

4. PUBLIC DISCUSSION GOES ON. LOPEZ-GUEVARA HAS RETURNED TO THE PODIUM AND PRESS (FBIS/PANAMA PA 170345Y). THE NEGOTIATING TEAM MEETS WITH GOVERNMENT AND PRIVATE GROUPS. BUT THEY ARE REPEATING KNOWN POSITIONS, NOT BREAKING NEW GROUND OR ASSAYING NEW DISCLOSURES. DURATION IS STILL IN THE LEXICON, BUT THE POINT IS NOW WHAT LIES BEYOND THE YEAR 2000.

5. IN PLACE OF THE FAMILAR APPROACHES, THE CURRENT LINE IS 'BEWARE OF GRINGOS WHO SAY THEY BEAR GIFTS'. THERE IS CONSTANT DEPRECATION OF INDICATIONS THAT A NEW TREATY IS IMMINENT. NATIONAL UNITY, FORTITUDE AND PATIENCE ARE NEEDED TO OBTAIN PANAMA'S ENDS; BUT WASHINGTON IS BEING RECALCITRANT. A NOTABLE EXAMPLE WAS A LENGTHY ARTICLE APPEARING MARCH 13 TITLED "THE STRATEGY OF THE IMMINENT TREATY" (FBIS/PANAMA PA 141637Y, SEVEN TAKES). ITS AUTHOR, ALTHOUGH A PRIVATE LAW PARTNER OF TREATY NEGOTIATOR CONFIDENTIAL

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LOPEZ-GUEVARA, HAS BEEN ASSOCIATED WITH "PURE NATIONALISTS" DENUNCIATION OF TORRIJOS' TREATY POLICY IN THE PAST. HE HAS BEEN SILENT FOR AN EXTENDED PERIOD. YET HIS BLAST AT THE DECEPTIVE U.S. "STRATEGY" NOW IN FORCE WAS CARRIED BY BOTH SIME-INDEPENDENT "ESTRELLA" AND GOP-GUIDED "DOMINICAL". CLEARLY, SOMEONE INTENDED THAT IT SHOULD BE READ.

6. THE FEBRUARY ROUND IS CHARACTERIZED AS SIGNIFICANT, BUT BECAUSE IT PLACED PANAMA'S POSITION ON THE MAJOR OUTSTANDING ISSUE, DURATION AND THEREAFTER, BEFORE THE HIGHEST POLITICAL LEVELS IN THE U.S. STATEMENTS FROM HE U.S. ABOUT FLEXIBILITY OR GOOD WILL "ON BOTH SIDES" DRAW THE TART REJOINDER THAT THIS AMOUNTS TO TELLING PANAMA TO ABANDON HER ASPIRATIONS ON UNRESOLVED ISSUES-- AND A PATRIOTIC DECLARATION THAT THE TORRIJOS GOVERNMENT WILL NOT DO SO.

7. ON MARCH 27, PANAMANIAN NEGOTIATOR DIOGENES DE LA ROSA GAVE AN INTERVIEW IN CARACAS (REPORTED HERE BY AP AND EFE) HAT NEATLY SUMMARIEZES THIS LINE: "AFTER SEVERAL DAYS OF DISCUSSION

PANAMA SUMMED UP ITS VIEWS ON ONE SHEET OF PAPER. THE U.S. NEGOTIATORS TOOK THIS SHEET BACK TO DISCUSS IT WITH THEIR AUTHORITIES INCLUDING PRESIDENT JIMMY CARTER. WE ARE WAITING FOR AREPLY TO THIS NOTE OF OURS." IN A MARCH 29 EDITORIAL ON THIS INTERVIEW, "CRITICA" SAID "THE REAL TRUTH IS THAT TIME MARCHES ON, AND THIS SITUATION OF UNCERTAINTY TENDS TO GO ON INDEFINITELY... WHAT IS THE MATTER? WHY DO THEY PERSIST WITH THIS RIDICULOUS WAR OF NERVES? TIME WILL TELL." (FBIS/PANAMA PA 292013Y).

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L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 SAB-02 IO-13 /071 W

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8. THE U.S. IS CALLED ON TO BACK UP ITS STATEMENTS WITH "SPECIFIC" INSTRUCTIONS, TO "COMMIT" ITSELF AND ITS

NEGOTIATORS, IN ORDER TO SETTLE MATTERS. TORRIJOS AND OTHERS ARE QUOTED THAT A TREATY COULD BE COMPLETED WITHIN A WEEK ONCE THE U.S. IS PREPARED TO BITE THE BULLET AND GIVE ITS NEGOTIATORS CLEAR AND APPROPRIATE INSTRUCTIONS NOT TO HANG THINGS UP ON THE "DETAILS" OR "TRIVIAL" ISSUES THAT HAVE BLOCKED MATTERS IN THE PAST.

9. THIS PUBLIC POSTURE ACCORDS WITH PRIVATE INDICATIONS TO THE EMBASSY OVER THE PAST MONTH. THE GOP IS PROJECTING AN IMAGE TO ITS PEOPLE THAT IS A FAIR REFLECTION OF HOW IT SEES ITSELF AND ITS SITUATION. TORRIJOS AND HIS KEY ADVISERS SEEM TO BE SINCERELY CONVINCED THAT THEY HAVE BEEN SUFFICIENTLY FORTHCOMING. THE U.S., ON THE OTHER HAND, IS SEEN AS AFFLICTED BY COLONIALISM AND/OR INERTIA WITHIN ITS BUREAUCRACY. THEY SEE THIS AS PARTICULARLY REFLECTED IN OUR POSITIONS ON ISSUES LIKE LANDS AND

WATERS, CANAL EMPLOYEES, THE CANAL ENTITY AND RELATED MATTERS. AND TORRIJOS APPEARS TO BELIEVE THAT IF HE GOES HIGH ENOUGH, HE CAN FIND POLITICAL WILL ON THE U.S. SIDE SUFFICIENT TO SNAP AND REVERSE THIS, RESOLVING SUCH  
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ISSUES LARGELY ON PANAMA'S TERMS IN THE PREPARATION OF A TREATY.

10. TORRIJOS IS APPARENTLY COMFORTABLE WITH THE POSITION THAT THE FEBRUARY ROUND FORCED HIM TO DEFINE. SEVERAL SOURCES INDICATE THAT HE HAS BEEN COMPARATIVELY RELAXED, CALM AND CONFIDENT SINCE THE CLOSE OF THE FEBRUARY ROUND, EVEN THOUGH HE SAID RECENTLY THAT THAT ROUND WAS ON THE VERGE OF BREAKDOWN IN ITS FIRST DAYS (PANAMA 2002). HE AND HIS TOP TREATY ADVISERS DO NOT SEEM TO FEEL MUCH URGENCY ABOUT CONCLUDING AN AGREEMENT. MORE IMPORTANT IN ASSESSING THEIR STANCE IS THE FACT THAT THEY READ RECENT INDICATIONS FROM WASHINGTON AS MEANING THAT THE U.S. SEES ITSELF AS UNDER MORE PRESSURE THAN THEY DO. A CHANGE IN THE LOCAL POLITICAL SCENE--SAY, SERIOUS STUDENT VIOLENCE--COULD CHANGE THIS IN EITHER DIRECTION. BUT WE ARE SEEKING HERE ONLY TO DESCRIBE THE MOOD AS IT NOW REPEAT NOW EXISTS.

11. CONSEQUENTLY, TORRIJOS AND HIS NEGOTIATORS AND ADVISERS ARE WAITING. THEY BELIEVE THAT WE WILL BE BLASTED OFF SOME OF OUR MORE BOTHERSOME POSITIONS ON ISSUES OF "DETAIL" IF HAMMERED LONG ENOUGH. AND ON THE GUT POLITICAL ISSUES, THEY FEEL THAT AN ARRANGEMENT CAN BE HAD THAT WILL SATISFY US. IN SHORT, TORRIJOS THINKS THAT IT IS NOW OUR MOVE.  
JORDEN

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## Message Attributes

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